GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3093
ANSWERED ON:22.03.2002
INTEREST SUBSIDY TO COFFEE GROWERS
R.L. JALAPPA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the average production of coffee in the country indicating the contribution of Karnataka;

(b) whether coffee growers of Karnataka are incurring a loss of Rs.12,000 to Rs.15,000 per acre due to crash in the world coffee prices;

(c) whether the small and marginal coffee growers of Karnataka have sought interest subsidy, waiver of outstanding loans and sanctioning of interest free loans for the next two years; and

(d) if so, the action, if any, taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) Over 3 lakh tonnes of coffee is produced annually in the country out of which, about 70% comes from the State of Karnataka.

(b) Due to low coffee prices prevailing in the global market, the coffee growers in the country are not getting the same prices which they were getting 2-3 years ago and are finding it difficult to recover the cost of production. However, the domestic prices of coffee are still higher than the international prices. The exact loss per acre cannot be quantified as it varies across different categories of growers based on factors like farm productivity, region specific cultivation costs, augmented income from inter crops etc.

(c) to (d): Yes, Sir. At the behest of Govt. of India, the commercial banks and Cooperative banks have alreadyrescheduled the crop loans of small coffee growers and are also extending fresh loans to them. In addition, during the current financial year, the Coffee Board is also implementing an interest relief scheme, which provides 5% interest relief to targeted small coffee growers on working capital loans availed by them from the banks.